

**TOWN OF SULLIVAN
TOWN BOARD MEETING
APRIL 7, 2021 at 6 p.m.**

Present: Supervisor John Becker, Councilors John Brzuszkiewicz, Jeff Martin, Kerry Ranger; Attorney for the Town John Langey; Highway Superintendent Andy Busa; Comptroller Beth Ellis; Receiver of Taxes Katy Vanderwerken; Taylor Bottar and Olivia Hicklen from Barton & Loguidice; Bruce Burke of PAC99; and Deputy Town Clerk Jill Doss.

Excused: Councilor Tom Kopp

The regular meeting of the Town Board of the Town of Sullivan convened at 6:00 p.m. by Supervisor John Becker.

The meeting was held at the Town Office Building located at 7507 Lakeport Road, streamed via Zoom and YouTube. The link and passcode to join the meeting was posted on the Town's website for the public to join and streamed live via YouTube.

Pledge to the flag was led by Supervisor Becker.

APPROVAL OF MARCH 17, 2021 MEETING MINUTES

A motion was duly made by Councilor Martin, seconded by Councilor Brzuszkiewicz and unanimously passed by the Board to approve the minutes for the March 17, 2021 Town Board meeting.

The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

LAKEPORT SITE NUAIR LEASE 2021

Supervisor Becker reviewed the proposed NUAIR Lease Agreement for 2021 with the Board. Thereafter, the following action was taken:

The following resolution was offered by Councilor Brzuszkiewicz and seconded by Councilor Martin, to wit

WHEREAS, SRC, Inc. ("SRC"), a New York not-for-profit Corporation and subcontractor of Northeast UAS Airspace Integration Research Alliance Inc. ("NUAIR"), with principal

offices at 7502 Round Pond Road, North Syracuse, New York 13212, previously approached the Town of Sullivan with a request to allow for the occupancy of space on a portion of the Town's property located at 1802 State Route 31 (more formally known as Tax Map No. 10.-1-11.12) for the installation of certain equipment and to provide access thereto, for the purpose of supporting SRC's program of integrating low-altitude, small unmanned aircraft into the National Airspace; and

WHEREAS, the Town Board of the Town of Sullivan and SRC reached an agreement for said space located at 1802 State Route 31 (more formally known as Tax Map No. 10.-1-11.12), which space was determined to be excess land and space not needed by the Town for its own purposes, was surplus, available for the proposed purpose and would suit the needs of SRC, and counter-executed an Agreement regarding same on January 11, 2019 and January 2, 2019, respectively; and

WHEREAS, Northeast UAS Airspace Integration Research Alliance Inc. ("NUAIR") now wishes to extend the Agreement for the leasing of space owned by the Town of Sullivan located at 1802 State Route 31; and

WHEREAS, the Town has previously determined that it could derive substantial long-term financial return for NUAIR's use of the aforementioned space, all to the benefit of the Town's taxpayers; and

WHEREAS, pursuant to Section 64-2 of the New York Town Law, such an agreement may be entered into by the Town, subject to a permissive referendum; and

WHEREAS, the extension of such agreement constitutes a Type II action for purposes of State Environmental Quality Review and, as a result, no environmental impact is anticipated.

NOW, THEREFORE, BE IT RESOLVED that the Town Board of the Town of Sullivan approves the lease agreement between the Town and NUAIR for the occupancy of land and space on a portion of its property located at 1802 State Route 31 (more formally known as Tax Map No. 10.-1-11.12), in substantial accordance with the Agreement that has been negotiated for this purpose and authorizes the Supervisor to execute said Agreement and take any and all further action needed to give full force and effect to this approval; and it is further

RESOLVED that appropriate notice of this action shall be posted and shall be published in the official Town newspaper; and it is further

RESOLVED that this action be and the same hereby is subject to a permissive referendum; and it is further

RESOLVED that this resolution is subject to the final review and approval of the Town's Attorney.

The question of the adoption of the foregoing resolution was duly put to a vote and upon roll call, the vote was as follows:

John E. Brzuszkiewicz	Councilor	Voted	Yes
Thomas J. Kopp Jr.	Councilor	Excused	-----
Kerry Ranger	Councilor	Voted	Yes
Jeffrey Martin	Councilor	Voted	Yes
John M. Becker	Supervisor	Voted	Yes

The foregoing resolution was thereupon declared duly adopted.

DATED: April 7, 2021

CERTIFICATE

STATE OF NEW YORK)
COUNTY OF MADISON)

I, the undersigned Deputy Town Clerk of the Town of Sullivan, Madison County, New York, **DO HEREBY CERTIFY:**

That I have compared the foregoing Resolution with the original thereof on file in the Office of the Town Clerk of the Town of Sullivan, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Board had due notice of said meeting and that, pursuant to Section 103 of the Public Officers Law, said meeting was open to the general public.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Town on April __, 2021.

ROSEMARY CZERNIAK
Deputy Town Clerk

AIR FORCE LEASE AGREEMENT

Supervisor Becker spoke with the Board in regard to the proposed Air Force Lease Agreement which would be for equipment related to a temporary radar installation on a parcel in the Town's industrial park encompassing approximately 3 acres. Currently, the property in question is in the ownership of the Town of Sullivan Development Corporation.

The Town of Sullivan Development Corporation is in the process of winding down. In the meantime, Town of Sullivan Development Corporation would need to review the revised Lease Agreement for approval. Attorney Langey commented that there has been discussion on the question of indemnification relative to the Agreement with US Government officials. The Federal Government has stated that it does not provide indemnification. The Board members agreed that a meeting of the Town of Sullivan Development Corporation should be scheduled as soon as possible. No action taken this evening.

COPIER LEASE

Supervisor Becker discussed with the Town Board the status of the copier lease currently in negotiations with Toshiba. Comptroller Ellis has researched with Usherwood Business and Toshiba. Thanks to her diligence, the Town will achieve substantial savings in a renewal lease with Toshiba. Upon the motion made by Councilor Martin, seconded by Councilor Brzuszkiewicz, the Board authorized entering into a Lease Agreement with Toshiba Business Solutions.

The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

Motion carried.

RESOLUTION REGARDING USDA RURAL DEVELOPMENT FINANCING FOR THE HAMILTON BROWN/BUSHNELL SHORE ROAD WATER DISTRICT

Supervisor Becker reviewed with the Board compliance review questions that are part of the USDA Rural Development loan processing paperwork for the Hamilton Brown/Bushnell Shore Road Water District. Each Board member is required to complete this set of questions, sign and date their responses and submit same to the Comptroller to continue the application process.

Thereafter, it was discussed that the Town is authorized to post a notice in the newspaper for the low interest USDA Loan application for Hamilton Brown/Bushnell Shore Road Water District. The Board discussed the loan application and obtaining the opinion of Counsel in regard to the Loan. The Town will also have to pursue obtaining approximately 20 rights-of-way relative to this Project application. The Board further authorized Attorney Langey to complete a review and provide the opinion of Counsel.

Supervisor Becker thereafter discussed with the Town Board the required USDA Rural Development Loan Resolution for the Water District (attached as Appendix "A" to these minutes). On motion of Councilor Brzuszkiewicz, seconded by Councilor Ranger, the Board authorized the adoption of the USDA Rural Development Loan Resolution (RUS Bulletin 1780-27). The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

Motion carried.

**RESOLUTION AUTHORIZING MS-4 COMPLIANCE SERVICES
WITH BARTON & LOGUIDICE**

Supervisor Becker discussed the preparation of the MS-4 Stormwater Annual Report by Barton & Loguidice for a cost not to exceed \$2800. The Board discussed this briefly. Upon the motion made by Councilor Martin, seconded by Councilor Brzuszkiewicz, the Board authorized preparation of NYSDEC MS-4 Stormwater Annual Report by Barton & Loguidice for a cost not to exceed \$2800.

The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

**SLEEPY HOLLOW WATER DISTRICT, SLEEPY HOLLOW WATER DISTRICT
EXTENSION NO. 1 AND SALT SPRINGS ROAD WATER DISTRICT UPDATES**

Taylor Bottar of Barton & Loguidice addressed the Board in regard to the Sleepy Hollow Water District and Sleepy Hollow Water District Extension No. 1 projects. He reviewed the project history, recent and anticipated progress, what has changed, the proposed project summary and project costs. Mr. Bottar also reviewed several also reviewed several questions that have been received in regard to the project from residents in the area.

Mr. Bottar also addressed the Salt Springs Road Water District project. Mr. Bottar also addressed funding and applications for funding and agreements (which include IMA,

district formation and starting the Article 12 process) that need to be in place in order to pursue funding and a timeline for the construction of the project. (Bonding, petitions completed by Town of Manlius and Town of Sullivan, and work on grant applications. The Board thanked Mr. Bottar for his review and explanation of the progress to date for both projects.

**SRO AGREEMENT WITH THE TOWN OF SULLIVAN, MADISON COUNTY
AND CHITTENANGO CENTRAL SCHOOL**

Supervisor Becker spoke to the Board in regard to the School Resource Officers (“SRO”) Agreement for three School Resource Officers at Chittenango Central Schools. The funding for the Agreement would come from the Town’s share of the Host Community Monies and will be administered through Madison County. The Town’s funding would be \$57,000. The 2021 allocation will be taken from November Host Community funding and the 2022 Host Community funding would be in November 2022 and contingent on available funds. This Agreement would be void if there are insufficient Host Community Monies available. Supervisor Becker thanked the School; Mike Eiffe Superintendent and the teachers and staff, and the County for all working together as a community. He noted that the State budget does contain additional funding for schools this year. He also commented that the School and County have done a phenomenal job of keeping kids in school this year. Thereafter, a motion was made by Councilor Ranger, seconded by Councilor Brzuszkiewicz, to authorize Supervisor Becker to execute the SRO Agreement with the Town of Sullivan, Madison County and Chittenango Central School. Councilor Martin commented he was going to abstain from the vote as he worked for the School District. Attorney Langey commented that Councilor Martin would not receive a direct financial benefit so he would be comfortable with Councilor Martin participating in the vote. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

APPROVAL OF PURCHASE OF DOG CONTROL OFFICER VEHICLE

Supervisor Becker spoke to the Board about the need to replace the current dog control van which has approximately 116,000 miles on it. There is a 2021 Ford Transit Connect van (white in color) available at Nye Auto for \$25,500 at State bid pricing. This van is smaller than the current van. He would like to place the old van on Auctions International for sale once the new unit arrives. The Board members discussed the purchase.

Thereafter, the following resolution was offered by Councilor Martin, who moved its adoption, seconded by Councilor Brzuszkiewicz, to wit:

WHEREAS, the Town of Sullivan Dog Control Office has previously advised the Town Board of the Town of Sullivan of its need to replace its existing van; and

WHEREAS, the Town has placed a request through the Office of General Services Vehicle Marketplace (NYS OGS Contract PC67318) and received an offer and proposal on same; and

WHEREAS, purchase through the Office of General Services Vehicle Marketplace is compliant with the provisions of General Municipal Law §104; and

WHEREAS, the Town of Sullivan Dog Control Office has utilized said services to obtain a bid, which bid upon review by the Town Board has been deemed to have achieved the best price for such equipment; and

WHEREAS, the bid price for such equipment from the Office of General Services Vehicle Marketplace has been determined to be Twenty-Five Thousand Five Hundred and 00/100 Dollars (\$25,500.00) from retailer NYE Automotive Group, being more particularly described as a new 2021 Ford Transit Connect XL van (white in color) (VIN NMOLS7E21M1488401); and

WHEREAS, such procurement constitutes a Type II action for purposes of State Environmental Quality Review and, as a result, no environmental impact is anticipated.

NOW, THEREFORE, BE IT RESOLVED that the Town of Sullivan Town Board hereby authorizes the Town Supervisor to execute any necessary documents to purchase a new 2021 Ford Transmit Connect XL van (white in color), in an amount not to exceed Twenty-Five Thousand Five Hundred and 00/100 Dollars (\$25,500.00) from NYE Automotive Group, 1479 Genesee Street, Oneida, New York 13421, upon the terms provided in the submitted proposal by way of cash payment, utilizing funds from the appropriate Department Fund.

The question of the adoption of the foregoing resolution was duly put to a vote and upon roll call, the vote was as follows:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

The old van will be placed on Auctions International site for sale.

BUDGET MODIFICATIONS FOR APRIL 7, 2021

Supervisor Becker reviewed the budget modifications presented by the Comptroller as noted below:

- 1) Transferring \$9,466.00 from A7110.1801 Parks Director to A7110.18022 Park Laborer. This is to reflect the increase in salary for Lou LaPlante. Upon the motion made by Councilor Brzuszkiewicz, seconded by Councilor Martin, the Board authorizes Transfer # 1 noted above. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

- 2) Transferring \$15,500.00 from A1990.4 Contingent to A3510.2 Dog Control Equipment. This is for the purchase of 2021 Ford Van White from NYE Ford. Upon the motion made by Councilor Martin, seconded by Councilor Brzuszkiewicz, the Board authorizes Transfer #2 as noted. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

- 3) Transferring \$22,537.45 from A3097 Capital Project GIGP #1383 to A8030.460 Engineering Fees. This is to pay the final payment to Davis Wallbridge for the project. Upon the motion made by Councilor Brzuszkiewicz, seconded by Councilor Martin, the Board authorizes Transfer #3 as noted above. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

Supervisor Becker thanked Comptroller Ellis, Barton & Loguidice and Highway Superintendent Busa for all the effort put forth for completing the capital project. The last payment has been made!

FIREFIGHTER APPLICATION

- 1) Supervisor Becker presented a membership application from North Chittenango Fire Department for Theresa Hare of Kirkville, NY. The Board members reviewed the information in the application. Upon the motion made by Councilor Ranger, seconded by Councilor Brzuszkiewicz, the Board approved the membership application for North Chittenango Fire Department for Theresa Hare. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

ANNUAL UPDATE DOCUMENT

Supervisor Becker advised that the AUD has been submitted. He thanked the Comptroller and Staff for completion of the document.

BRIDGEPORT LAKEPORT CIVIC ORGANIZATION (BLC0)/EARTH DAY AND CONCERT SERIES

Supervisor Becker highlighted activities scheduled for Earth Day clean up - April 22-24, 2021. The Town Highway Department will be coordinating trash pickup activities with BLCO. Highway Superintendent Busa requested that people not throw tires or computers in this special pickup or take advantage and put household trash, furniture or recyclables at curbside for pickup during this Earth Day cleanup program.

Supervisor Becker advised that BLCO has set up a 2021 Concert Series for July.

July 5	Fab Cats
July 12	Fritz Polka Band
July 19	Thunder Canyon
July 26	T J Sacco

CANAL CORRIDOR GRANT

Supervisor Becker advised that Jamie Kowalczyk from Madison County Planning will be putting together a grant application for the Canal Corridor. She had prepared grant applications previously and they've been awarded. As data is prepared for the grant application, there will be further updates.

NYS BUDGET

Supervisor Becker advised that the NYS Budget passed recently a few days past the April 1st due date. A few highlights for the adopted budget:

- CHIPS funding is enhanced
- Extreme Winter Recovery fully restored
- PAVE NY increased and includes State Touring Routes in the funding
- Environmental Protection Fund maintained
- Restore Mother Nature Bond Act will be voted on November 2022.
- Highway Superintendent Busa comment that last year 20% of CHIPS was withheld. It appears that the funding is being re-instated in this year's budget.

RECREATIONAL MARIJUANA LEGISLATION – ADOPTED BY NYS

Supervisor Becker advised that the State has adopted the proposed recreational marijuana legislation. Any municipality may opt out of the provision for hosting dispensaries by Local Law. It would be his recommendation that this be put on the November 2021 ballot for the residents of the Town to voice whether to opt out. The Board discussed the potential for a permissive or mandatory referendum. Attorney Langey will research the referendum requirements. Upon the motion made by Supervisor Becker, seconded by Councilor Martin, the Board authorizes the Town Counsel to start the process of putting information together to address opt out options for voters to make that decision. Attorney Langey advised that a decision does need to be made on opting out prior to December 31, 2021. Attorney Langey is authorized to begin review of referendum status. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

PICKLEBALL AT TOWN PARK FACILITIES

Mr. Kevin Curtis, a resident from Cazenovia, appeared via Zoom this evening to discuss with the Board access to the Courts at Sullivan Park for pickleball for residents and non-residents of the Town of Sullivan. He has worked with Lorie at the Town Parks & Recreation for scheduling of the Courts and she has done a great job of coordinating time and usage of the Courts. He believes that residents as well as non-residents should be allowed to use the Courts. Councilor Brzuszkiewicz commented that as a member of the Park Board, which will be meeting April 26, he would like the Park Board to have opportunity to meet to discuss and make recommendation on this issue. There has been an increase in demand for use of the facility over the past year. The Board will review all of the Town Park facilities at this meeting to make sure that taxpayers and Town residents are given access to facilities they fund through tax dollars. The Park Board wants to come up with a solution and present that to the Town Board. Councilor Brzuszkiewicz asked Mr. Curtis to give the Park Board membership time to review the concern. Mr. Curtis spoke of the use of the facilities and the use of a reservation system. The Board reflected that the residents need to get the opportunity to use the facilities they support. The Board thanked Mr. Curtis for his comments. Dave Salva, who also appeared on Zoom, agreed with Mr. Curtis' comments. Sue Daily, who appeared on Zoom commented that the courts are advertised to outside residents and they are heavily used. She commented that there needs to be better control of the use of the courts. Someone commented to her recently at the Park that individuals could go to another facility if they wanted. The Board thanked the speakers for their input.

COMPREHENSIVE PLAN UPDATE

Councilor Ranger asked about the current Town Comprehensive Plan that was prepared in 2006 partially through Town funds and a grant. He inquired how often a Comprehensive Plan should be updated as it appears some of the data in this Plan is reflective of events from the 1990's. If the Town is going to apply for grants in the future, it might be helpful to have the Plan updated to reflect the changes and development that has taken place since adoption of the 2006 Comprehensive Plan. Generally, per Taylor Bottar of Barton & Loguidice, these plans should be updated every 10 years or so. The Board talked about the Plan and agreed updating would be appropriate. More discussion will take place on this issue.

GEE ROAD/WHITELAW WATER DISTRICT/BRIDGEPORT EXTENSION

The Board briefly talked about moving the creation/extension of these two water districts forward and what will need to happen. The next step would be setting up public informational meetings with community engagement to start the process of district formation. Supervisor Becker and Taylor Bottar of Barton & Loguidice will set a time to

get together to put an information packet and invitation together for a Community Engagement event to begin the formation process.

ADJOURNMENT

A motion was made by Councilor Martin, seconded by Councilor Brzuszkiewicz to adjourn the meeting at 7:40 p.m. The following roll call vote was taken with no further discussion:

Thomas J. Kopp Jr.	Councilor	Excused	-----
Jeffrey Martin	Councilor	Voted	Yes
Kerry Ranger	Councilor	Voted	Yes
John Brzuszkiewicz	Councilor	Voted	Yes
John M. Becker	Councilor	Voted	Yes

Respectfully submitted,

Jill A. Doss
Deputy Town Clerk

APPENDIX "A"

Position 5

RUS BULLETIN 1780-27

APPROVED
OMB. No. 0572-0121

LOAN RESOLUTION (Public Bodies)

A RESOLUTION OF THE Town Council

OF THE Town of Sullivan

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS public body

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Town of Sullivan

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Three Hundred Twenty Thousand & 00 100

pursuant to the provisions of Subject to NYS Municipal Finance Law; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

